



**State of Louisiana**  
DIVISION OF ADMINISTRATION

**OFFICE OF STATE UNIFORM PAYROLL**

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February 24, 2000

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2000-55

TO: All UPS Agencies

FROM: Ronald S. Mitchell  
Director

SUBJECT: Changes to the Rule Governing Payroll Deductions

Several changes have been made to the Rule Governing Payroll Deductions in order to further define, clarify, and establish parameters for vendor participation. The revised rule has been issued as an Emergency Rule in the February 20, 2000 edition of the *Louisiana Register*. The effective date of the Emergency Rule is February 1, 2000 and will be effective 120 days or until the final rule takes effect. The Notice of Intent for the changes to the rule has also been published in the February 20, 2000 edition of the *Louisiana Register*. The final rule will be effective May 20, 2000.

The three major changes to the rule were made to change the timeframe for current vendor and new applicant application processes, to change the minimum participation requirements, and to require review by the Employee Payroll Benefits Committee (EPBC) of any changes to currently approved products (including across the board rate increases, co-payment changes, and benefit changes.) Below is a list of these changes as well as other changes that have been made to this rule:

- 1) "Cafeteria" has been changed to "Flexible Benefits".
- 2) "Control Number" has been changed to "Agency Number".
- 3) "UPS" has been changed to "DOA Statewide Payroll System".
- 4) "PRN" has been changed to "Payroll Reporting Number".
- 5) Definitions have been added for the "Division of Administration", "Policy Form", and "Service Plan".
- 6) The definition of "new application" has been expanded to note that this process also includes a current vendor requesting authorization to offer additional policy forms or service plans for products that are currently approved.
- 7) The definition of "product" has been expanded to note that a product may include multiple policy forms or service plans.
- 8) Definitions have been deleted for "participation code" and "UPS Payroll Steering Committee".
- 9) §105 - A change was made to outline information about an existing Employee Payroll Benefits Committee rather than the formation of the Committee.
- 10) §107 - Information was added to note that the EPBC will conduct an annual review of requests for changes to existing policies, in addition to reviewing annual applications and requests from new or current vendors for new products. In addition, terminology was

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- changed to indicate that the EPBC, rather than the Office of State Uniform Payroll (OSUP), is responsible for adopting and maintaining guidelines for review.
- 11) §109 – A change was made to indicate that OSUP will conduct an annual “compliance review” and will notify vendors whether their annual application has been conditionally approved.
  - 12) §111 – A change was made to indicate that OSUP will accept written notice of requests for new or additional products, policy forms, or service plans up until April 1, 2000 and December 1<sup>st</sup> annually thereafter. OSUP will then provide an application to the vendor prior to April 1, 2000 and December 1<sup>st</sup> annually thereafter. Vendors will have until April 30, 2000 and December 31<sup>st</sup> annually thereafter to return completed applications to OSUP.
  - 13) §112 – This is a new section which was added to give specific information about requests for changes to existing policies already on payroll deduction. In summary, any change to an existing product, including across the board rate increases, co-payment changes, and benefit changes, must be submitted to OSUP by October 1<sup>st</sup> annually. OSUP will present the request for a change to the EPBC for review. If approved, the vendor will be notified by December 1<sup>st</sup> and will be given procedures for handling the change. If not approved, vendors will be notified that the change cannot be made and that the vendor will have to go through the application process and submit the change as a new product request.
  - 14) §115 – Information was included to indicate that applications for annuities or any other non-insurance investment programs will not be permitted. In addition, a change was made to drop the requirement that applications be sent via registered mail. Finally, a new statement was added to the list of vendor requirements requiring vendors to respond to all additional questions as required by the EPBC that have been included with the application packet.
  - 15) §119 – New information was added to further explain that OSUP will be conducting a compliance review and will only conditionally approve applications. The EPBC will conduct a thorough review of all products (current and requests for new products) and OSUP will notify vendors on or before January 1<sup>st</sup> each year of approval. Those which have not been approved will be notified by December 1<sup>st</sup> each year. In addition, in 2000, the EPBC will review applications for new products in May, but will begin reviewing them in February thereafter.  
The minimum participation requirement was changed in this section. Vendors have until December 31, 2000 to meet the new minimum participation requirement of the rule which is that individual product participation shall exceed 1000. This is different from the previous requirement of 250 per vendor. New vendors will be allowed twelve months to meet the minimum participation requirement.
  - 16) §121 now requires that an authorized agent or vendor representative sign the deduction authorization form (SED-4).
  - 17) §125 clarifies that vendors are not to submit deduction forms to agencies for policy forms or service plans which have not been approved. It also states that vendors are to follow procedures of OSUP or Governing Board for implementing across the board rate increases, or requesting changes to existing policies.
  - 18) §129 clarifies that annual (renewal) applications shall list specific products/policy forms provided. It also indicates that no new products or services or changes to existing

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products or services shall be added to the SED-4 forms or marketed without prior approval through the annual application process.

The full text of this Emergency Rule and Notice of Intent can be found on OSUP's website at [www.doa.state.la.us/osup/osup.htm](http://www.doa.state.la.us/osup/osup.htm). Click on MISC Vendor Deduction Information on the left scroll bar. Then click on "Emergency Rule" (page 187) and/or "Notice of Intent" (page 367) under the "Payroll Deduction Rule " section. If you have any questions on this information, please contact Andrea Hubbard at (225) 342-0715.

RSM:APH/kmb